

CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

13 June 1957

STAFF MEMORANDUM NO. 33-57

SUBJECT: The Outlook for Greece*

1. There has been little or no real change in the Greek situation since approval of NIE 32-56, "The Outlook for Greece," on 26 June 1956. The three-to-four-year projection of trends contained in that estimate continues in our opinion to provide sound intelligence support for policy formulation. NIE 32-56 predicted that the Greek government would remain in non-Communist hands and retain its basic pro-US, pro-Western orientation at least for the period of the estimate. However, it also: (a) indicated the likelihood of increasing political controversy and maneuver in which leftist and neutralist elements would gain strength; (b) discounted the prospects for significant economic advances; and (c) emphasized the importance of the Cyprus issue as a factor affecting the tenure of

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the Karamanlis government and Greek relations with the US and the other NATO powers. While stressing the continuing difficulties in achieving a Cyprus settlement, the estimate calculated that there was about an even chance that some formula would be agreed on "within the next year or two."

2. The principal modifications in the situation since issuance of NIE 32-56 are as follows:

a. Political Stability

Prime Minister Karamanlis has had remarkable success in holding his parliamentary majority together in the face of continuing opposition attacks, largely because of US support in getting an acceptable Cyprus resolution through the UN this spring and because Greeks in general believe that Karamanlis retains the US seal of approval. While he has suffered only four outright defections, various of his key associates have developed strong ambitions of their own, and other members of the loosely organized government party are probably prepared to jump ship if the right deal comes along. In addition, Karamanlis is opposed by the powerful Bodossakis-Lambrakis industrial and publishing combine and is being undercut by the British, who cherish hopes of obtaining a government more amenable on the Cyprus issue.

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Karamanlis' position will probably remain secure until parliament reconvenes on 15 October. Thereafter, he will probably face intensified efforts to break up his majority and to force new elections under a less favorable election law than that under which he was able to squeak through to victory in February 1956. Since neither Karamanlis nor the now reunited Liberal Party--his principal rival--appears capable of securing a clear majority, new elections would probably hasten the return to the coalition politics of the pre-Papagos era.

Such developments will provide increased opportunities to the Communist-backed left, though these opportunities may be more limited than was suggested in NIE 32-56. The centrist opposition has made persistent efforts to remove the taint of its 1956 electoral collaboration with the far left, thus reducing the latter's united front prospects. There has been little indication of any increase in existing leftist strength. On the extreme right, the secret military organization, IDEA, now appears to have considerably less potential influence than was suggested

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in NIE 32-56. It has been greatly weakened by military transfers in the last year, and barring a serious threat of a leftist take-over in Greece appears unlikely to play an active role in Greek politics.

b. The Cyprus Issue

Emotions on the Cyprus issue have eased somewhat following the conclusion of the UN debate and the release of Archbishop Makarios, thereby facilitating the various moves now under way toward promoting a settlement. However, there has been a hardening of Turkey's attitude on Cyprus, exemplified by its demands for partition and the virtual ultimatum handed Greece on the eve of Makarios' return to Athens warning against an excessive show of official support for him. Moreover, the British remain suspicious of both the Greek government and Makarios and reluctant to make further concessions. Although chances of an agreement emerging in the course of the next year still appear about even, they are no better than that. And while the Greek government in particular will probably try to avoid a serious flareup of Greek-Turkish tensions, pride or popular emotions on either or both sides may still precipitate another crisis.

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c. Greek Regional Policies

Although Greece endorsed the Eisenhower Doctrine, its attitude toward Middle East questions continues to be strongly influenced by its suspicions of Turkey and its fear of Turkey's entrenching itself as the chosen instrument of US policy in the area. The most recent manifestations of this attitude were the strong Greek plea to Ambassador Richards for US support in developing its own ties and influence in the Arab states and accompanying criticism of US reliance on Turkey and the Baghdad Pact.

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